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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/718,961	11/22/2000	Scott H. Schwartz	HILL-0001	3347
23550	7590	01/31/2005	EXAMINER	
HOFFMAN WARNICK & D'ALESSANDRO, LLC 3 E-COMM SQUARE ALBANY, NY 12207			GART, MATTHEW S	
			ART UNIT	PAPER NUMBER
			3625	

DATE MAILED: 01/31/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/718,961

Applicant(s)

SCHWARTZ ET AL.

Examiner

Matthew s Gart

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 28 October 2004.
- 2a) ☐ This action is FINAL. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-35 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-35 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 11/22/2000 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claims 1-35 are pending in the instant application.

Continued Examination Under 37 CFR 1.114

A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 10/28/2004 has been entered.

Drawings

This application has been filed with informal drawings, which are acceptable for examination purposes only. The Figures contain improper hand written text that may affect clarity when reproduced.

Applicant is required to submit a formal correction of the noted defect. Applicant is required to submit drawing corrections promptly. Drawing objections may no longer be held in abeyance.

Claim Rejections - 35 USC §101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefore, subject to the conditions and requires of this title.

Claims 27-34 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Referring to claims 27-34. The invention as recited in the claims is merely an abstract idea that is not within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter.

Mere recitation in the preamble (i.e., intended use) or mere implication of employing a machine or article of manufacture to perform some or all of the recited steps does not confer statutory subject matter to an otherwise abstract idea. "A method for calculating discounts for quotes or purchases of items," mere nominal use of a component, albeit within the technological arts, does not confer statutory subject matter to an otherwise abstract idea if the component does not affect or affect the underlying process.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-35 are rejected under 35 U.S.C. 103(a) as being unpatentable over Abdou (Patent Application Publication US2002/0107773) in view of Price (Patent Application Publication US2002/0082881).

Referring to claim 1. Abdou discloses a system for calculating discount on items, the system comprising:

- A processor (Abdou: Fig. 1); and
- A memory (Abdou: Fig. 1), including a program executable by the processor, the program including:
 - An estimator configured to allow user selection of at least one item for creating a cost quote of total price for a purchase order, each item being a member of an item unit with items of a particular kind, the item unit having associated therewith a volume (Abdou: paragraph 0010);
 - A unit setting module configured to allow setting membership of at least one item unit with related item units in at least one first group in the purchase order, each first group unit having associated therewith a cumulative volume of the at least one item unit therein (Abdou: paragraph 0011);

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- A discount rule module configured to allow setting at least one discount threshold for each first group unit in the purchase order, each discount threshold of a first group unit having an associated discounted price given to a user when the discount threshold is met (Abdou: paragraph 0011 and Fig. 2); and
- A calculator (Abdou: paragraph 0053).

Abdou does not expressly disclose a system for calculating discount on items comprising a calculator configured to recommend selection of additional volume to attain a next discount threshold. Price discloses a system for calculating discount on items comprising a calculator configured to recommend selection of additional volume to attain a next discount threshold (Price: paragraph 0072 and Fig. 4).

The Examiner notes, the system as disclosed by Price (Fig. 5) details negotiated step discounts. Price (Fig. 5) offers additional volume discounts based on contractual arrangements with the different sellers. Each step in this complex pricing chain can be defined and configured through the use of rules, therefore the buyer with full awareness of these rules knows what purchase volume is associated with what discount step and can configure a purchasing strategy accordingly.

At the time the invention was made, it would have been obvious to a person of ordinary skill in the art to have modified the system of Abdou to have included the teachings of Price as discussed above because the capability to dynamically price electronic transactions with a high degree of sophistication will be highly attractive to leading exchanges (Price: paragraph 0008).

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The Examiner further notes, the intended use of the estimator, unit setting module, discount rule module, and calculator must result in a structural difference between the claimed invention and the prior art in order to patentably distinguish the claimed invention from the prior art. If the prior art structure is capable of performing the intended use, then it meets the claim. In a claim drawn to a process of making, the intended use must result in a manipulative difference as compared to the prior art. See *In re Casey*, 152 USPQ 235 (CCPA 1967) and *In re Otto*, 136 USPQ 458, 459 (CCPA 1963).

Referring to claim 2. Abdou further discloses a system wherein, when an item is a member of more than one first group unit, the calculator is further configured to determine an allocation of volume of an item amongst the first group units to achieve a minimized total price (Abdou: paragraph 0053).

The Examiner notes, Abdou discloses a system that is designed to provide an electronic commerce environment for leveraging orders from a plurality of customers, where the savings associated with the winning bid are, in turn, awarded to the customers in accordance with the size of their respective orders.

Referring to claim 3. Abdou in view of Price discloses a system according to claim 1 as indicated supra. Price further discloses a system wherein the calculator is configured to determine award of an additional discounted price based on achieving a discount threshold in more than one first group (Price: paragraph 0038).

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At the time the invention was made, it would have been obvious to a person of ordinary skill in the art to have modified the system of Abdou to have included the teachings of Price as discussed above because the capability to dynamically price electronic transactions with a high degree of sophistication will be highly attractive to leading exchanges (Price: paragraph 0008).

Referring to claim 4. Abdou in view of Price discloses a system according to claim 1 as indicated supra. Price further discloses a system wherein the calculator is configured to recommend selection of additional volume when a volume selected is within a discount variance of the next discount threshold (Price: Fig. 5).

At the time the invention was made, it would have been obvious to a person of ordinary skill in the art to have modified the system of Abdou to have included the teachings of Price as discussed above because the capability to dynamically price electronic transactions with a high degree of sophistication will be highly attractive to leading exchanges (Price: paragraph 0008).

Referring to claim 5. Abdou in view of Price discloses a system according to claim 1 as indicated supra. Price further discloses a system wherein a type of volume is determined by the type of item and is chosen from the group comprising: a monetary amount, weight and quantity (Price: paragraph 0038).

At the time the invention was made, it would have been obvious to a person of ordinary skill in the art to have modified the system of Abdou to have included the teachings of Price as discussed above because the capability to dynamically price

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electronic transactions with a high degree of sophistication will be highly attractive to leading exchanges (Price: paragraph 0008).

Referring to claim 6. Abdou further discloses a system wherein each first group unit includes more than one discount threshold (Abdou: paragraph 0012).

Referring to claim 7. Abdou further discloses a system wherein the discount rule module is configured to allow setting at least one discount threshold for each item unit, each discount threshold for an item unit having an associated discounted price (Abdou: paragraph 0011).

Referring to claim 8. Abdou in view of price discloses a system according to claim 7 as indicated supra. Price further discloses a system wherein the calculator is configured to recommend selection of additional volume to attain a next discount threshold for an item unit (Price: paragraph 0072 and Fig. 4).

At the time the invention was made, it would have been obvious to a person of ordinary skill in the art to have modified the system of Abdou to have included the teachings of Price as discussed above because the capability to dynamically price electronic transactions with a high degree of sophistication will be highly attractive to leading exchanges (Price: paragraph 0008).

Referring to claim 9. Abdou in view of price discloses a system according to claim 7 as indicated supra. Price further discloses a system wherein the calculator is configured to recommend selection of additional volume when a volume selected is within a discount variance of the next discount threshold for the item unit (Price: paragraph 0072 and Fig. 4).

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At the time the invention was made, it would have been obvious to a person of ordinary skill in the art to have modified the system of Abdou to have included the teachings of Price as discussed above because the capability to dynamically price electronic transactions with a high degree of sophistication will be highly attractive to leading exchanges (Price: paragraph 0008).

Referring to claim 10. Abdou further discloses a system wherein the unit setting module is configured to allow setting membership of at least one first group unit into at least one master group unit, and the discount rule module is further configured to allow setting one of a discount formula and a discount table for each master group unit (Abdou: Fig. 3).

Referring to claim 11. Abdou further discloses a system wherein the discount rule module is configured to selectively assign a rank to each discount threshold of each first group unit (Abdou: paragraph 0011 and paragraph 0012).

The Examiner notes, once a winning bid is selected, the savings associated with the bid are allocated in accordance with the volume of each customer. In other words, the volume purchased ranks the customer.

Referring to claim 12. Abdou further discloses a system wherein the calculator is configured to determine a discounted price using one of the discount formula and discount table and an achieved rank of at least one first group unit (Abdou: paragraph 0011 and paragraph 0012).

The Examiner notes, once a winning bid is selected, the savings associated with the bid are allocated in accordance with the volume of each customer. In other words, the volume purchased ranks the customer.

Referring to claim 13. Abdou further discloses a system wherein the one of the discount formula and discount table provide a discounted price based on a highest achieved rank for each first group unit (Abdou: paragraph 0011 and paragraph 0012).

The Examiner notes, once a winning bid is selected, the savings associated with the bid are allocated in accordance with the volume of each customer. In other words, the volume purchased ranks the customer.

Referring to claim 14. Abdou further discloses a system wherein a discounted price provided by the one of the discount formula and discount table is provided by assigning a discounted price associated with a rank higher than any achieved rank to each first group unit (Abdou: paragraph 0011 and paragraph 0012).

The Examiner notes, once a winning bid is selected, the savings associated with the bid are allocated in accordance with the volume of each customer. In other words, the volume purchased ranks the customer.

Referring to claim 15. Abdou further discloses a system comprising a coop module configured to allow creation of a coop of a plurality of users to pool purchases and cumulatively attain a discounted price (Abdou: Fig. 3, "305").

Referring to claim 16. Abdou further discloses a system wherein the discount rule module is further configured to set at least one coop discount threshold for each first group unit and each item unit (Abdou: Fig. 3, "350").

Referring to claim 17. Abdou further discloses a system wherein the calculator is configured to recommend selection of at least one additional item or additional volume to attain a next discount threshold with preference for minimizing the total price of an individual user rather than the coop (Abdou: paragraph 0030).

Referring to claim 18. Abdou further discloses a system wherein the coop module is configured to allow an administrator to set at least one of: purchase closing time, pricing structure, maximum discount threshold available and coop membership rules (Abdou: Fig. 3).

Referring to claim 19. Abdou further discloses a system wherein the unit setting module is further configured to allow setting membership of at least one first group unit into at least one master group unit, and the discount rule module is further configured to allow setting one of a discount formula and a discount table for each master group unit (Abdou: paragraph 0011 and paragraph 0012).

Referring to claim 20. Abdou further discloses a system wherein the discount rule module is configured to selectively assign a rank to each discount threshold of each first group unit (Abdou: paragraph 0011 and paragraph 0012).

The Examiner notes, once a winning bid is selected, the savings associated with the bid are allocated in accordance with the volume of each customer. In other words, the volume purchased ranks the customer.

Referring to claim 21. Abdou further discloses a system wherein the calculator is configured to determine a discounted price using one of the discount formula and

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discount table and an achieve rank of at least one first group unit (Abdou: paragraph 0011 and paragraph 0012).

The Examiner notes, once a winning bid is selected, the savings associated with the bid are allocated in accordance with the volume of each customer. In other words, the volume purchased ranks the customer.

Referring to claim 22. Abdou further discloses a system wherein the one of the discount formula and discount table provide a discounted price based on a highest achieved rank for each first group unit (Abdou: paragraph 0011 and paragraph 0012).

The Examiner notes, once a winning bid is selected, the savings associated with the bid are allocated in accordance with the volume of each customer. In other words, the volume purchased ranks the customer.

Referring to claim 23. Abdou further discloses a system wherein a discounted price provided by the one of the discount formula and discount table is provided by assigning a discounted price associated with a rank higher than any achieved rank to each first group unit (Abdou: paragraph 0011 and paragraph 0012).

The Examiner notes, once a winning bid is selected, the savings associated with the bid are allocated in accordance with the volume of each customer. In other words, the volume purchased ranks the customer.

Referring to claim 24. Abdou further discloses a purchasing module configured to permit a user to make a purchase of the selected at least one item (Fig. 3, "380").

Referring to claim 25. Abdou further disclose a system wherein the unit setting module is configured to allow setting membership of at least one item unit in at least

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one second group unit, each second group unit having associated therewith a cumulative volume of the at least one item unit therein; the discount rule module is further configured to allow setting at least one discount threshold for each second group unit, each discount threshold of a second group unit having an associated discounted price given to a user when the discount threshold is met (Abdou: paragraph 0011 and paragraph 0012). Price discloses a calculator configured to recommend selection of additional volume to attain a next discount threshold (Price: paragraph 0072 and Fig. 4). At the time the invention was made, it would have been obvious to a person of ordinary skill in the art to have modified the system of Abdou to have included the teachings of Price as discussed above because the capability to dynamically price electronic transactions with a high degree of sophistication will be highly attractive to leading exchanges (Price: paragraph 0008).

Referring to claim 26. Abdou in view of Price disclose a system according to claim 25 as indicated supra. Abdou further disclose a calculator configured to determine an allocation of volume of an item to achieve a minimized total price (Abdou: Fig. 3).

Referring to claims 27-34. Claims 27-34 are rejected under the same rationale as set forth above in claims 1-26.

Referring to claim 35. Claim 35 is rejected under the same rationale as set forth above in claims 1-26.

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Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Matthew s Gart whose telephone number is 703-305-5355. The examiner can normally be reached on 8:30AM to 5:00PM m-f.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on 703-308-1344. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



MSG
Patent Examiner
January 27, 2005